



United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
<http://www.blm.gov>



RECEIVED

JUL 27 2004

DIV OF OIL GAS & MINING

IN REPLY REFER TO:
3809
(UT-924-OA)
UTU-68596

July 22, 2004

CERTIFIED MAIL-RETURN RECEIPT REQUESTED

DECISION

Operator/Principal:	:	Notice:	UTU-68596
Utah Kaolin	:	Bond Required:	\$4,900.00
ATTN.: Tom Harrison, Vice President	:		
3985 S. 2000 E.	:		
Salt Lake City, UT 84124	:		

Financial Guarantee Accepted Notice Extended

On December 4, 2002, you filed a notice extending the above-mentioned 3809 notice with the Cedar City Field Office, Bureau of Land Management (BLM). The reclamation cost estimate is determined to be \$4,900.

On July 21, 2004, this office received a Surface Management Personal Bond contract and \$4,900 check in the form of a cash bond to secure a bond for notice UTU-68596. The bond and the financial document have been examined and found satisfactory. The financial guarantee is accepted as of July 21, 2004, and accordingly, the above-mentioned notice is extended until January 20, 2005.

The bond covers operations conducted by or on behalf of the obligor/operator on the above-mentioned notice. Enclosed is a copy of the bond contract and accounting receipt for your records.

0001

The funds will be retained in a suspense account until all terms and conditions of the notice have been fulfilled or until satisfactory replacement bond coverage has been accepted, at which time this office will authorize a refund of the cash deposit.

If you have any questions concerning the bond, please contact Opolonia Abeyta at (801) 539-4123.

A handwritten signature in dark ink, reading "Douglas T. Bauer". The signature is fluid and cursive, with the first name "Douglas" being more prominent and the last name "Bauer" following in a similar style.

Douglas Bauer,
Acting Chief, Branch of Solid Minerals

Enclosure
Receipt

cc: Ed Ginouves, Cedar City Field Office, UT040
Terry Snyder, Utah State Office, UT-923
Wayne Hedberg, UDOGM, File No. S/001/052 (w/enclosure)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



FORM APPROVED
OMB NO. 1004-0194
Expires: January 31, 2007

SURFACE MANAGEMENT PERSONAL BOND

Act of May 10, 1872, as amended (30 U.S.C. 22-54)
Act of December 29, 1916, as amended (39 Stat. 862)
Act of October 21, 1976, as amended (43 U.S.C. 1732-35, 1732)
Act of September 13, 1982 (31 U.S.C. 9301 et seq.)
Act of September 27, 1988 (102 Stat. 1776)
Act of April 16, 1993 (43 U.S.C. 299)

Individual UT4-68596 ; or Statewide _____ ; or Nationwide _____
(Enter BLM Serial No.) (Enter Name of State, if applicable) ("Yes," if applicable)

KNOW ALL MEN BY THESE PRESENTS, THAT Utah Kaolin, LLC
of 3985 So. 2000 E, Salt Lake City, Utah 84124
and Utah Dept. of Natural Resources
as principal; is held firmly bound unto the United States of America in the sum of four thousand nine hundred U. S. dollars (\$ 4,900⁰⁰).

lawful money of the United States, which may be increased or decreased by a rider hereto executed in the same manner as this bond.

The principal, pursuant to the authority conferred by Section 1 of the Act of September 13, 1982 (31 U.S.C. 9303), does hereby constitute and appoint the Secretary of the Interior to act as his attorney-in-fact for the purpose of negotiating the cash, letters of credit, savings accounts, certificates of deposit, or securities. The interest accruing on the United States securities, cash, or other instruments given above, in the absence of any default in the performance of any of the conditions, or stipulations set forth in this bond, the plan of operations/notice, must be paid to the principal. The principal hereby, for any heirs, executors, administrators, successors, and assignees, jointly and severally, ratifies and confirms whatever the Secretary will do by virtue of these presents.

The Secretary will transfer this deposit for the faithful performance of any and all of the conditions and stipulations as set forth in this bond, the plan of operations/notice cited above, and the regulations at 43 CFR 3802 and 43 CFR 3809. In the case of any default in the performance of the conditions and stipulations of such undertaking, it is agreed that the Secretary will have full power to assign, appropriate, apply, or transfer the deposit, or any portion thereof, to the satisfaction of any damages, reclamation, assessments, penalties, or deficiencies arising by reason of such default.

BOND CONDITIONS

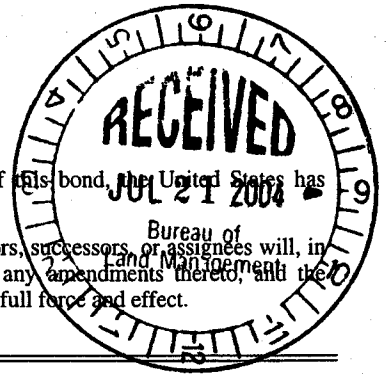
1. WHEREAS, the principal has an interest in a mining claim(s), mill site(s), or tunnel site(s) and/or responsibility for operations and/or reclamation on the mining claim(s), mill site(s), tunnel site(s) or public lands under the Acts cited in this bond; and
2. WHEREAS, the principal has filed an acceptable notice with the United States Department of the Interior, Bureau of Land Management (BLM) and/or received approval from the BLM of the plan of operations cited above and said plan of operations/notice contains certain stipulations and conditions; and
3. WHEREAS, the principal hereby waives any right to notice of, and agrees that this bond will remain in full force and effect notwithstanding:
 - a. Any transfer(s) in whole or in part, of any or all of the land covered by the plan of operations/notice further agrees to remain bound under this bond as to the interests in the plan of operations/notice retained by the principal; and
 - b. Any modification of the plan of operations/notice or obligations thereunder; and
4. WHEREAS, the principal hereby agrees that notwithstanding the cancellation or relinquishment of any mining claim(s), mill site(s), or tunnel site(s) covered by this plan of operations/notice, whether by operation of law or otherwise, the bond will remain in full force and effect as to the terms and conditions of the plan of operations/notice, and obligations covered by this bond; and
5. WHEREAS, the principal agrees that in the event of any default under the plan of operations/notice and/or reclamation plan the bond may be forfeited and, the United States, through the BLM, may commence and prosecute any claim, suit, or other proceeding against the principal without the necessity of joining the owner(s) of the mining claim(s), mill site(s), or tunnel site(s) covered by the plan of operations/notice; and
6. WHEREAS, if the principal fails to comply with the provisions of 43 CFR 3802 and 43 CFR 3809, the principal will also be subject to the applicable provisions and penalties of Sections 303 and 305 of the Federal Land Policy and Management Act of 1976, as amended (43 U.S.C. 1733 and 1735). This provision will not be construed to prevent the exercise by the United States of any other legal and equitable remedy, including waiver of the default; and

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212 make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false fictitious, or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 2)

BOND CONDITIONS (Continued)

7. WHEREAS, on the faith of the foregoing promises, representations, and appointments, and in consideration of this bond, the United States has accepted the notice or approved the plan of operations referenced herein.
8. NOW, THEREFORE, the condition of this obligation is such that if said principal(s), heirs, executors, administrators, successors, or assignees will, in all respects, faithfully comply with all of the provisions of the plan of operations/notice referenced herein, any amendments thereto, and the regulations at 43 CFR 3802 or 43 CFR 3809, then this obligation will be null and void; otherwise it will remain in full force and effect.



Executed this 20 day of July, 20 04:

State of Utah

Principal Utah Kaolin, LLC

County of Salt Lake

By Thomas F. Harrison
(Print name)

Subscribed and sworn to before me this 21 day

Signature Thomas F. Harrison

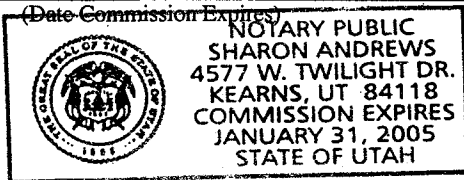
of July, 20 04.

Title Manager

Sharon Andrews
(Notary Public)

Business Address 3985 South 2000 East
Salt Lake City, Utah 84124

1-31-2005



(TIN or SSN No., if applicable)

If this bond is executed by a corporation, it should bear the seal of the corporation, if applicable.

NOTICE

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 22 et seq.; 43 U.S.C. 1732[b] and 1782[c]; 31 U.S.C. 9301 et seq.; 43 CFR 3802 and 43 CFR 3809.

PRINCIPAL PURPOSE: Information is being used to establish financial responsibility for surface disturbance on public lands.

ROUTINE USES: BLM will only disclose the information according to the regulations at 43 CFR 2.56(d).

EFFECT OF NOT PROVIDING INFORMATION: Disclosure of the information is necessary to receive a benefit. Failure to disclose this information may result in BLM's rejection of your application.

The Paperwork Reduction Act of 1995 requires us to inform you that:

BLM collects this information to grant the right to conduct exploration and mining activities on public lands.

Response to this request is required to obtain a benefit.

BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

BURDEN HOURS STATEMENT

Public reporting burden for this form is estimated to average 8 minutes per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0194), Bureau Information Collection Clearance Officer (WO-630), 1849 C Street, N.W., Washington, D.C. 20240.

THE FACE OF THIS DOCUMENT HAS A BLUE GRADUATING TINT (BLUE-WHITE-BLUE) BACKGROUND ON WHITE PAPER

BANK ONE

BANK ONE, NA
UTAH

OFFICIAL CHECK

288859004

16-3717
1220

Remitter UTAH KAOLIN LLC

Date 07/21/04

- COPY -
NOT NEGOTIABLE

- COPY -
NOT NEGOTIABLE

Pay To The

Order Of ***US DEPT OF THE INTERIOR** ONE LL, CO

BLM

\$\$\$ \$4,900.00 \$\$\$

Drawer BANK ONE, NA

Issued by Integrated Payment Systems Inc., Englewood, Colorado
Wells Fargo Bank Ltd., N.A., Los Angeles, CA

THE BACK OF THIS DOCUMENT CONTAINS A REFLECTIVE SECURITY MARK - HOLD AT AN ANGLE TO VIEW

Cash Bond / 0A

United States Department of the Interior
Bureau of Land Management
UTAH STATE OFFICE
PO BOX 45155 ACCOUNTS UNIT
SALT LAKE CITY, UT 84145 -0155
Phone: (801) 539-4006

Receipt	
No:	912788

Transaction #: 946670	
Date of Transaction: 07/21/2004	
CUSTOMER:	UTAH KAOLIN LLC 3985 SOUTH 2000 EAST SALT LAKE CITY, UT 84124

LINE #	QTY	DESCRIPTION	REMARKS	UNIT PRICE	TOTAL
1	1.00	LOCATABLE MINERALS / 3809/3802 SURFACE MGT BONDS / CASH BOND FILED (455) CASES: UTU 068596/\$4900.00		- n/a -	4900.00
TOTAL:					\$4,900.00

PAYMENT INFORMATION				
1	AMOUNT:	\$4,900.00	POSTMARKED:	N/A
	TYPE:	CHECK	RECEIVED:	07/21/2004
	CHECK NO:	288859004		
	NAME:	UTAH KAOLIN LLC 3985 SOUTH 2000 EAST SALT LAKE CITY UT 84124		

REMARKS

This receipt was generated by the automated BLM Collections and Billing System and is a paper representation of a portion of the official electronic record contained therein.

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